

## Exterior, Inc. (B)<sup>1</sup>

Rather than deciding based on his own gut-feel or the hunch of his strategy team, Mike Montgomery, consulted a team of professors from a leading business school in Texas. On their advice, Exterior Inc., (EINC) undertook a customer-research study to identify critical drivers of customer value. "We need to hear the voice of the customer," agreed Mike Montgomery with his professor. A two-step approach was used.

In the first step, the research team conducted a focus group of contractors to understand their decision process, and attributes that drove their overall satisfaction.



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to increase product breadth. The incremental sales from increasing satisfaction with speed of installation was 13%, while requiring a cost outlay of \$11 million nationally.

An additional analysis showed increasing satisfaction with a pricing strategy (through a 10% price reduction) would increase sales by 24%, but reduce gross margins by 5%.

**Table 1. Attribute Survey Results (2014)** 

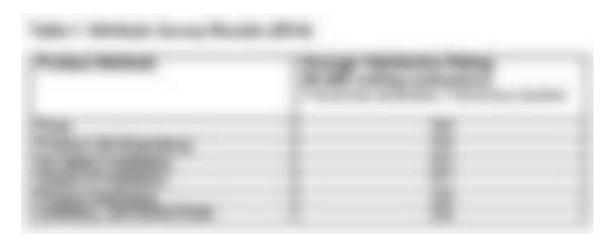


Figure 1. Relative Impact of An Attribute in Driving Overall Satisfaction

